

# Bolton Town Deal

## Stage 2 – Business Case Development

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Bolton Town Board Meeting

Savills Economics  
15 April 2021

# About Us

- Commissioned by Bolton to coordinate and draft the Town Deal Business Cases for each project
- Coordinator role, on the basis that a lot of the technical work has already been done, or will be done by established teams
- National economics team specializing in supporting places develop robust business cases for funding bids
- Developed successful £13 million Future High Streets Fund for Farnworth
- Supporting Bolton in developing up ambitious Levelling Up funding bids for other Town Centre schemes
- Lead on business cases for FHSF, Town Investment Plans, Brownfield Housing Funding, Housing Infrastructure Funding etc
- Part of MHCLG's Town Deal Delivery Partner consortium, working closely with Arup



## Stage 1: Inception

- Inception meeting
- Document review
- Site Visit
- Stakeholder Consultations (MHCLG and Consultants)
- Council / Town Board Presentation #1

## Stage 2: Business Case Development

- Business Case Development
  - Strategic Case
  - Economic Case
  - Financial Case
  - Commercial Case
  - Management Case
- Ongoing Monitoring and Review of Progress
- Council / Town Board Presentation #2

## Stage 3: Review and Finalise Business Cases and Summary Document

- Submission of draft Business Cases
- Respond to feedback
- Finalise Business Cases and Summary Document
- Council / Town Board Presentation #3

# Immediate Priorities

By May MHCLG require confirmation of:

- Towns Fund ask
- Available match funding
- Annual funding profile
- Project outputs
- Expected outcomes
- Whether the project is being fast tracked

The main tasks that need to be completed to provide this information are:

- Revisiting project cost information
- Reprofile funding given £22.9m Towns Fund offer (£2.1m gap)
- Adjusting project scopes
- Finalising project outputs

Project confirmation table					
<i>Project name</i>					
<i>Date:</i>					
Towns Fund ask (£ million)					
Match funding total and breakdown					
Expected outputs and outcomes					
Plan for addressing key conditions					
Fast-tracked project (Yes or No)					
Capital/revenue split					
Nominal Financial profile (£ million)					
2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Signature of Town Deal Board Chair and accountable body's Chief Executive Officer or S151 Officer					

## Strategic Case

- What is the case for change?
- What is the rationale for intervention?
- What is the current situation?
- What is to be done?
- What outcomes are expected?
- How do these fit with wider government policies and objectives?

## Economic Case

- What is the net value to society of the intervention compared to continuing with the BAU?
- What are the risks and their costs and how can they be managed?
- Which option reflects the optimal net value to society?

## Financial Case

- What are the capital and revenue implications of the preferred option?
- What is the overall affordability and funding arrangements for the preferred option and are there any contingency arrangements for overspends?

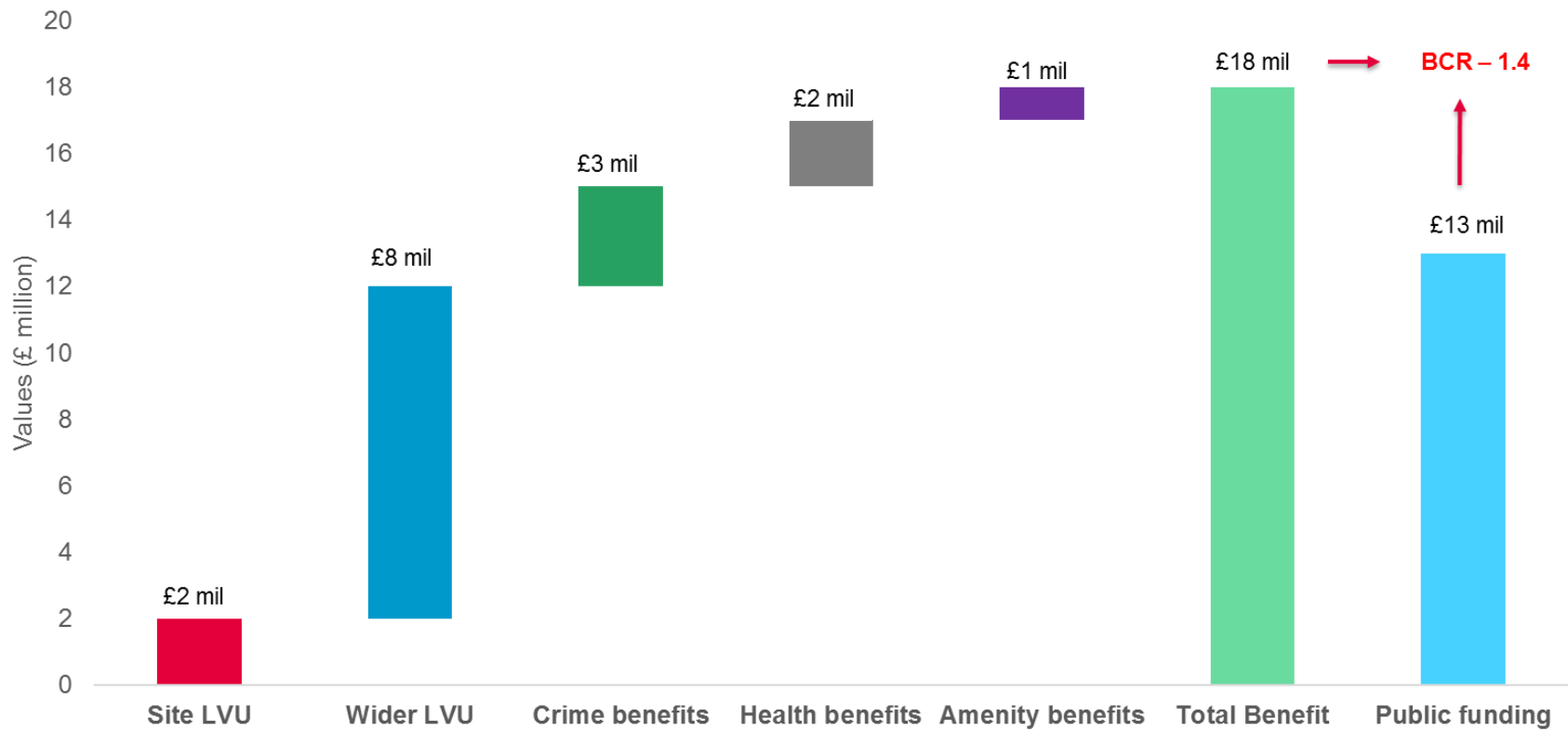
## Commercial Case

- Can a realistic and credible commercial deal be struck?
- What is the risk allocation between the public sector and preferred service provider?
- What type of contract will be used and are there any contractual issues?

## Management Case

- How the project will be managed?
- How change within the organisation will be implemented?
- How the benefits will be realised?
- How the business and service risks will be mitigated and managed?
- How major contract change will be handled over the longer term?
- How the project will be reviewed periodically?
- What are the contingency plans in the event of service failure?

## BCR Analysis



# Deliverables and Timescales

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## **Deliverables**

- A draft BC for each of the schemes (up to 4)
- 3 x presentations and meetings with the Town Board
- Support in discussions and engagement with MHCLG and other stakeholders
- Regular updates on progress via a project tracking report
- A final BC for each scheme aligned with the relevant requirements and guidelines
- A review and finalisation process to consider a consolidated set of comments
- A Summary Document for the overall TIP schemes
- Support with the submission of final BC's

## **Timescales**

- TBC
- See Arups presentation on setting a programme.